


ROUTING AND RECORD SHEET

SUBJECT: (Optional)				
FROM: Legislative Counsel 7D43			EXTENSION 6121	NO. DATE
TO: (Officer designation, room number, and building)	DATE		OFFICER'S INITIALS	COMMENTS (Number each comment to show from whom to whom. Draw a line across column after each comment.)
	RECEIVED	FORWARDED		
1. Acting Director	7/30/74	W/bsc		<p>For your signature, the interim reply to Chairman Stennis in response to his request for our comments on S. Res. 404, introduced by Senator Mondale, which would establish a select committee in the Senate on intelligence policy.</p> <p>We are coordinating with OGC to formulate an Agency position on the bill.</p> <div style="text-align: center; margin-top: 20px;">  George L. Cary Legislative Counsel STATINTL </div>
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paid from the contingent fund of the Senate upon vouchers approved by the chairman of the select committee.

Mr. MONDALE. Mr. President, I can only describe as unbelievable the President's statements last night concerning the role of the CIA in Chile. His statement that the United States was spending \$11 million for the purpose of preserving the opposition democratic elements, including the newspapers and electronic media, from being suppressed by the Allende government was wholly unconvincing. I can only conclude, with great sadness, that after only a month in office, President Ford is headed down the same road toward a credibility gap that has ruined the Presidency of too many of his predecessors.

When will the leaders of the executive branch of this Government realize that the American people and the Congress and the press will no longer tolerate hogwash as a response to legitimate questions about the behavior of the U.S. Government, either at home or abroad. There is nothing in the record of the previous administration, nor of the CIA, for that matter, which lends credence to the cover story perpetrated last night at the President's press conference.

If we are so concerned about the existence of opposition elements and the preservation of democracy in Chile, do we now have a program to help support the democratic politicians and journalists who have now been muzzled, banned, and jailed?

Has the Forty Committee taken this issue up? How many millions of dollars are they now spending to "destabilize" the military junta in Chile?

Mr. President, I doubt that a dime is being spent to restore democracy in Chile; just as not a penny is being spent to support the opposition elements in Saigon, who might provide a viable alternative to both the depredations of the Vietcong and the oppression of the Thieu regime.

Mr. President, we have been battling for 2 years to restore public control over secret operatives in the White House. It is now clear that we also must restore public control over foreign policy. Our foreign relations can no longer be handled by a handful of elitists in the Central Intelligence Agency and the State Department, who are no longer mindful of the basic values and traditions of the United States and whose main qualification is that they hold an exotic security clearance.

President Ford drew attention last night to the fact that the Forty Committee has been in existence since 1948. That may well be the most compelling argument for it to be drastically overhauled.

In 1948, the United States and its Western Allies were in the midst of the Berlin Airlift; the Czechoslovakian Government had fallen to Communist subversion. The Communists were spending huge sums to win elections in Italy. There was a clear and present need in the United States to be able to respond to the covert operations of the Soviet Union.

We undertook those operations reluc-

tantly: not because we were anxious to compete with the villainy being perpetrated at the time by the Stalinist regime in the Soviet Union, but because we held the basic values of democracy and freedom to be worth fighting for against Soviet tyranny.

Now, however, we find that these operations have taken on a life of their own; regardless of changes in the relations with the Soviet Union; of the declining ideological attractiveness of Soviet communism and of the painful lesson that we are not the world's policeman. The CIA's covert activities have not declined. The number of operatives that it employs does not seem to have diminished. Is it a mindless bureaucracy, fulfilling itself by seeking out democratic regimes to topple, undermine, subvert and co-opt? Or is it an irresistible temptation for Presidents and their advisors—who, after all, bear the real responsibility for covert operations?

There is a legitimate role for the Central Intelligence Agency and even for some select covert operations. There is a requirement to gather intelligence on threats directly affecting the physical security of the United States. It is necessary to protect our war plans, to conduct counterintelligence operations and monitor arms control agreements. But on the level of political action, the long history of covert operations, from the Bay of Pigs through the Phoenix Assassination program in Vietnam, in Chile and in Greece, the record of America's use of covert operations is a shameful failure.

But the Central Intelligence Agency must not become a scapegoat. It needs to clean house, but the fact that it is directed against democratic regimes can only be rectified by house cleaning at a higher level.

The real responsibility for the perversion of the CIA and its functions must lie with the political leadership that directs it. Indeed, with the Forty Committee itself and its principals and, with the President of the United States.

The issues that have been raised by the revelation about Chile and Greece, are whether our foreign policy reflects and pursues the basic values of this Nation; and whether these values are being subverted by the way intelligence operations are managed and supervised.

The American people will no longer tolerate violations of the Constitution in regard to domestic affairs; it will not let the fog of national security protect malefactors and break ins, bugging and other operations which are contrary to what this Nation stands for. It is now time that we had a thorough examination of the operation of our foreign intelligence agencies, how they are controlled and coordinated, how they support Government decisionmaking. At the same time, we have to expose the policies these operations are designed to carry out. We need to find a better way for Congress to be involved in decisions relating to intelligence activities, and to establish legal and legislative safeguards in order that the intelligence operations conducted abroad do not disgrace us here at home.

For this reason, Mr. President, I am,

today, submitting a proposal for a special committee of the Senate which is designed to examine these issues and return within 24 months with proposals to the Senate of the United States on possible reforms in the organization, structure, and political control of our overseas intelligence operations.

Many resolutions and proposals have been submitted to the Senate on this issue. Almost all of them propose certain answers to the questions that I have raised here today. I do not claim to have these answers. All I know is that there is a very serious problem. Because of the secrecy that surrounds these issues, it is not even possible to tell whether the oversight function of Congress has, in fact, been working well or poorly. The jurisdiction over the intelligence operations is scattered among four separate committees dealing with Armed Services and Appropriations in the House and Senate—but completely unresponsive to the Foreign Relations and Foreign Affairs Committees of the Congress. Clearly, what is required is a new special body, with membership from both Armed Services and Foreign Relations, as well as membership outside of those bodies, which can dig into the urgent issues of what our overseas intelligence operations are for, how they are managed, and how they can really serve the American people.

The Select Committee will not take on the functions of the existing oversight committees; they will continue to perform their present tasks. The purpose of the Select Committee will be to prepare a report so that Congress can act to make necessary reforms and correct deficiencies and abuses.

Mr. President, in the earlier part of this century, there was a Secretary of State who abolished foreign intelligence gathering operations with the smug remark that "gentlemen don't read other people's mail." Everyone can agree that this remark is naive. But embarking on vital intelligence-gathering activities and, even some covert action, to counter real threats to our security is a long way from the kind of mindless hooliganism and wholesale intervention that have recently come to light. That only undermines necessary intelligence activities.

The time has arrived for the American people, through their representatives and in the context of necessary security requirements, to pursue relentlessly the truth of our overseas intelligence operations. Because of the nature of these activities, we cannot simply spread everything out on the public record. Peoples, lives, literally, can be at stake. But this does not mean that our representative form of government cannot deal with these issues. Indeed, it is one reason for representative form of government—so that the people's elected officials can perform functions that would not be possible by the people at large.

If we fail to take this step, if we fail to bring our overseas intelligence operations and, indeed, our foreign policy under domestic control, we will not only be failing our trust, but we will become a party to undermining the basic values for which this great country stands.

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such notification when he determines, after due notice and opportunity for hearing on the record, that the entity has failed to comply with such criteria.

Whenever an officer or agency of the United States receives notification from the Secretary that a federally recognized approving entity fails to meet the criteria prescribed by the Secretary, he shall, until such notification is rescinded, discontinue reliance on such entity's approval or accreditation of postsecondary educational institutions or programs, but institutions and programs which such an entity has approved or accredited prior to receipt of such notification may (in the discretion of the department or agency) continue to be considered to be recognized through the end of the current enrollment period.

(c) During the period that subsection (b) is applicable to an approving entity, and the Secretary determines there is no other nationally recognized approving entity qualified to approve the institutions formerly approved by such approving entity, he shall appoint an advisory committee, composed of persons specially qualified to evaluate education provided by postsecondary institutions formerly approved by such entity, which shall prescribe the standards of content, scope, and quality which must be met in order to qualify such institutions to participate in programs in the area with respect to which such approving entity operated.

Sec. 8. If the Secretary determines, after affording due notice and opportunity for a hearing, that (1) a student who is pursuing a program of postsecondary education with the assistance of a student loan which is guaranteed by the United States has been denied the primary educational benefits for which the loan was obtained by reason of the insolvency of the institution or its failure to provide the education or training stipulated in an agreement between the student and the institution, and (2) in the case of a denial of such benefits by an institution eligible after the establishment of criteria under section 6, the Secretary determines that such institution should not have been eligible under the standards of the federally recognized approving entity which approved or accredited the institution, the United States shall (A) forgive the student of any obligation to repay the loan and loan interest when the United States is the holder of the loan, and (B) pay any other holder of the loan any amount due on the loan if it releases the student from further obligation to repay the loan, and (C) pay to the student an amount equal to all payments he may have made on the loan. This section shall apply in cases of insolvency and in cases of failure to provide stipulated education or training which occur less than five years after enactment of this Act.

Sec. 9. Section 553 of title 5, United States Code, shall apply to the promulgation of criteria by the Secretary, and sections 554 through 558 of such title shall apply to proceedings under section 6.

Sec. 10. The Secretary shall publish biannually in the Federal Register a list showing the following:

(1) The approving entities which currently meet the criteria established by the Secretary pursuant to section 6.

(2) The postsecondary educational institutions which are approved or accredited by such approving entities including a particularization of the departments or courses of study which are approved or accredited at the institutions.

(3) The institutions which have lost approval or accreditation and those whose applications for approval or accreditation were not accepted.

Sec. 11. It is the sense of the Congress that

the several States should enact laws for the approval or accreditation of postsecondary educational institutions and authorization to grant degrees. Such laws should establish standards for approving entities that will insure proper business procedure within the industry and could utilize model legislation plans and the wealth of recent study in drafting statutes for this purpose.

FEDERAL CONTROL

Sec. 12. Section 432 of the General Education Provisions Act is amended by inserting after "the Emergency School Aid Act;" the following: "the Postsecondary Education Consumer Protection Act of 1974;"

ADDITIONAL COSPONSORS OF BILLS AND JOINT RESOLUTIONS

S. 3234

At the request of Mr. HUMPHREY, the Senator from Florida (Mr. CHILES) was added as a cosponsor of S. 3234, a bill to authorize a vigorous Federal program of research and development to assure the utilization of solar energy as a major source for our national energy needs, to provide for the development of suitable incentives for rapid commercial use of solar technology and to establish an Office of Solar Energy Research in the U.S. Government.

At the request of Mr. JOHNSTON, the Senator from Hawaii (Mr. FONG) was added as a cosponsor of S. 3234, supra.

At his own request, the Senator from Arizona (Mr. GOLDWATER) was added as a cosponsor of S. 3234, supra.

S. 3941

At the request of Mr. DOMENICI, the Senator from Tennessee (Mr. BAKER) was added as a cosponsor of S. 3941, a bill to authorize payment for one comprehensive physical examination per year for each person enrolled in medicare.

S. 3981

At the request of Mr. HELMS, the Senator from Mississippi (Mr. STENNIS) was added as a cosponsor of S. 3981, to limit the jurisdiction of the Supreme Court of the United States and of the district courts to enter any judgment, decree, or order, denying or restricting, as unconstitutional, voluntary prayer in any public school.

SENATE RESOLUTION 403—ORIGINAL RESOLUTION REPORTED AUTHORIZING SUPPLEMENTAL EXPENDITURES BY THE COMMITTEE ON THE JUDICIARY

(Referred to the Committee on Rules and Administration.)

Mr. EASTLAND, from the Committee on the Judiciary, reported the following resolution:

S. Res. 403

Resolved, That Senate Resolution 255, 93d Congress, agreed to March 1, 1974, as amended by Senate Resolution 358 of that Congress, agreed to August 22, 1974, is further amended as follows:

(1) In section 2, strike out "\$4,085,500" and insert in lieu thereof "\$4,141,600".

(2) In section 3, strike out "\$377,800" and insert in lieu thereof "\$433,900." and "\$5,000" and insert in lieu thereof "\$433,900" and "\$25,000", respectively.

SENATE RESOLUTION 404—SUBMISSION OF A RESOLUTION TO ESTABLISH A SELECT COMMITTEE ON INTELLIGENCE POLICY

(Referred to the Committee on Armed Services.)

Mr. MONDALE submitted the following resolution:

S. Res. 404

Whereas, revelations concerning the role of foreign intelligence operations of the United States Government in undermining the stability of democratically elected governments have raised serious questions concerning the management, policies and purposes of United States intelligence operations and their compatibility with the authority of the Congress and the values of the American people: Now therefore be it

Resolved by the Senate, That—

SECTION 1. There is hereby established a select committee of the Senate, which may be called, for convenience of expression, the Select Committee on Intelligence Policy.

Sec. 2. The select committee created by this resolution shall consist of 15 Members of the Senate, composed of three majority and two minority members of the Committee on Armed Services, three majority and two minority members of the Committee on Foreign Relations, and three majority and two minority Members of the Senate, to be selected in the same manner as the Chairman and members of the Standing Committees of the Senate. For the purposes of paragraph 6 rule XXV of the Standing Rules of the Senate, service of a Senator as a member, chairman, or vice-chairman of the select committee shall not be taken into account.

Sec. 3. The select committee is authorized and directed to examine past, present and projected intelligence operations and policies of the United States Government, and to determine the role of such operations in supporting the decision-making of the United States Government, and the impact of such operations on national security and the conduct of foreign policy. The select committee shall make an interim report to the appropriate committee of the Senate not later than June 30, 1975, and shall make a final report not later than January 31, 1976. Such final report shall contain the findings of the Committee together with recommendations respecting the management of intelligence operations within the Executive branch, the appropriate role of Congress, the appropriate function of varying types of intelligence activities, and recommendations requesting any appropriate legislative action.

Sec. 4. To enable the select committee to make the investigation and study authorized and directed by this resolution, the Senate hereby empowers the select committee as an agency of the Senate to employ and fix the compensation of such clerical, investigatory, legal, technical, and other assistants as it deems necessary or appropriate; to sit and act at any time or place during sessions, recesses, and adjournment periods of the Senate; to hold hearings for taking testimony on oath or to receive documentary or physical evidence (including classified information respecting clandestine operations, which shall be made available to the select committee and senior staff designated by the select committee) relating to the matters it is authorized to investigate and study; and to expend to the extent it determines necessary or appropriate any money made available to it by the Senate to perform the duties and exercise the powers conferred upon it by this resolution and to make the investigation and study it is authorized by this resolution to make.

Sec. 5. The expenses of the select committee under this resolution shall not exceed \$750,000 per annum. Such expenses shall be